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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 27-80

WASHINGTON, Nov. 19--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

In ARGENTINA, the National Grains Board has announced a minimum support price for new crop wheat of about \$200 per ton at current exchange rates. This price, to be paid basis f.a.s. ports, will be adjusted periodically to reflect world prices with the domestic inflation rate, but cannot be set at a level less than 85 percent of international values.

A support price at this level will allow the Argentine Grain Board to compete with the private trade in the domestic market to acquire wheat to meet bilateral commitments with overseas customers, such as China and Iraq, in the face of possible strong competition from the Soviet Union. Currently, Argentine wheat for February shipment is quoted at about \$225 per ton f.o.b., compared with about \$210 per ton f.o.b. Gulf.

At the EUROPEAN COMMUNITY's (EC) weekly tender, the level of subsidy, or ~~resti-~~
~~tution~~, granted on wheat exports has fallen from roughly US\$90 or 64.5 European Cur-
rency Units per ton at the beginning of this season in July to some US\$54 or 40 ECU
per ton in mid-November. Last year, the restitution averaged about 60 ECU per ton.

The decline in EC restitution levels is attributed to recently higher ~~inter-~~
~~national~~ prices stemming from a tightening of the global wheat situation. ~~Without~~
the subsidy, Community wheat exports would not be competitive internationally because
of relatively high internal EC prices.

ROMANIA is currently expected to harvest only about 9 million tons of corn this year, compared with earlier estimates of some 10 million tons. Untimely frosts have prevented late-developing corn from reaching maturity in the northern regions. Last year, this Eastern bloc country harvested a bumper corn crop of roughly 12 million tons, compared with a 10-million-ton average in the four preceding years.

As a result of this year's disappointing prospects, corn imports, which are primarily of U.S. origin, are now officially forecast at 1.5 million tons, well above the 1-million-ton level expected earlier. Since the mid-1970's, Romania's corn imports have fluctuated from approximately 100,000 to 850,000 tons.

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MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: 447-7937.

DAIRY, LIVESTOCK AND POULTRY

The U.S. Code of Federal Regulations was amended Nov. 10 to include regulations on quota cheese subsidies. Section 702 of the Trade Agreements Act of 1979 requires the President to prohibit or impose a fee on subsidized quota cheese undercutting wholesale prices of similar domestic cheeses unless the foreign government involved takes action to eliminate such price undercutting.

The new "Subpart D-Quota Cheese Subsidy Determinations" sets forth rules and procedures by which the Department of Commerce determines the existence and amount of subsidies being provided by foreign governments on articles of quota cheese being imported into the United States. The Secretary of Agriculture is responsible for investigations and determinations of price undercutting.

Under the new rules, Commerce will publish in the Federal Register an annual list of the type and amount of each subsidy provided on quota cheese beginning Jan. 1. Quarterly updates will be published if changes or additional subsidies have occurred. Any person believing the current list does not reflect a specific change can petition the Department to make a determination.

HORTICULTURAL AND TROPICAL PRODUCTS

JAPAN's 1980 onion crop is expected to be about 1.1 million tons, down 11 percent from the preceding year. According to the U.S. agricultural counselor in Tokyo, Japan's onion imports during 1980/81 are forecast at about 40,000 tons, with the United States as the principal supplier. During the 1979/80 season (July-June), onion imports from the United States totaled 8,500 tons.

CANADA's 1980 potato crop, excluding Newfoundland, is now estimated officially at 54,201,000 hundredweight or 2.46 million tons. The previous estimate was 52,072,000 hundredweight or 2.36 million tons. Because of harvesting delays, a third and final estimate of production is scheduled to be released Dec. 4.

Increased production in Prince Edward Island and Ontario accounted for the increase in the second official estimate, which is as follows in 1,000 hundredweight.

<u>Province</u>	<u>Second estimate</u>
Prince Edward Island	12,936
Nova Scotia	736
New Brunswick	11,700
Quebec	8,646
Ontario	8,820
Manitoba	5,920
Saskatchewan	323
Alberta	3,200
British Columbia	1,920

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TURKEY has again increased the deposit requirements exporters must deposit in a special Price Support and Stabilization Fund for a number of commodities. This action followed another 3.7 percent devaluation of the lira against the dollar on Nov. 8 (from TL 84.80 to TL 87.95 = \$1.00). The new rates for selected commodities are: raisins, #9 grade and higher TL 33.00 per kilogram; raisins, #8 grade and lower TL 29.00 kilogram; dried figs, TL 10.00 per kilogram; shelled filberts, natural, TL 109.00 per kilogram, and unshelled filberts, TL 54.00 per kilogram.

TOBACCO

In SPAIN, total acreage for the 1980 tobacco crop is expected to rise to over 23,000 hectares from 20,955 in 1980. This increase is in accord with the six-year tobacco expansion program. Production in 1981 is expected to total 34,400 tons (dry weight), with burley production increasing 12 percent and flue-cured output rising 11 percent above the 1980 level.

Tobacco stocks at the end of 1980 are expected to be small because of a decline in imports from the Dominican Republic, Cuba, Colombia and Brazil; large exports; and a 3-percent increase this year in manufactured use. During the first six months of 1980, cigarette sales grew at an overall rate of 2 percent, but dark leaf cigarette sales decline 1.6 percent.

Spanish imports of U.S. leaf in 1980 have increased due to the continued growth in popularity of U.S.-type cigarettes. Tobacco consumption, however, is expected to decrease with the anticipated rise in the retail price of cigarettes. Dark leaf cigarette prices, for example, may rise 50 percent.

JAPAN's tobacco production in 1980 is estimated at 148,000 tons, the lowest level since the 1972 output of about 144,600 tons. The decline this year reflects government cutbacks in tobacco area, although domestic tobacco is still in oversupply. Because of the oversupply situation, Japan Tobacco and Salt Public Corporation (JTS) is expected to cut the area authorized for tobacco in 1981 by an additional 3 percent.

JTS has been successful in reducing imported surplus leaf stocks and, as a result, imports are expected to increase this year. For Japan fiscal 1980 (April-March), imports are forecast at 68,500 tons, up 2 percent from the fiscal 1979 level. Flue-cured purchases accounted for most of the increases. Total Japanese imports, however, continue to be well below the 1974-78 average of 89,165 tons.

The total U.S. market share of Japan's leaf imports is expected to increase to 57 percent for Japan fiscal 1980, up from 53 percent in 1979. The U.S. share is expected to account for 79 percent of flue-cured imports and 39 percent of burley imports.

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NEW RELEASES OF FOREIGN AGRICULTURE CIRCULARS

USSR Grain Situation and Outlook FG 31-80
 Livestock and Poultry Feeding Industries in Selected Countries--
 Current Situation and Reference Data GOL 1-80 (Special Report)
 September Cotton Exports Decline FC 22-80
 U.S. Customs Service Data on Meat Imports--October 1980 FLM MT 20-80

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INTERNATIONAL WEATHER AND CROP SUMMARY, Nov. 10-16

EUROPE--Storms held to the north and south during the week, leaving much of the alpine region relatively dry. In eastern Spain, light rainfall maintained improved growing conditions for winter grains. Heaviest precipitation fell over the southeastern countries, maintaining unfavorable harvest weather. Conditions for crops remained relatively favorable in the northwestern countries. Temperatures remained below normal in most areas during the week, and were only high enough for winter grain growth in the Mediterranean countries.

WESTERN USSR--Precipitation slackened somewhat in the Ukraine, but remained above normal. Northern areas saw a return of above-normal precipitation--much of it as snow. Most of the winter grain belt has now become snow covered. Only in the North Caucasus and southeastern Ukraine have soils remained bare due to above-normal temperatures. Colder than normal conditions persisted to the north and west, but no extreme temperatures have occurred. A protective snow cover will be most needed in the northwest, where in spite of relatively warm October weather, late-sown winter grains probably did not have time to put on sufficient growth and become winter hardy.

EASTERN ASIA--Very little precipitation fell in most major crop areas of China and South Korea for a third consecutive week. This abnormally dry weather probably allowed late rice harvesting to advance nearly to completion. Conditions remain good for winter grains in the North China Plain, where above-normal temperatures during the week allowed growth to continue in all but the most northerly areas.

SOUTH ASIA--A series of tropical disturbances dropped excessively heavy rainfall along the eastern coast of Peninsular India. Normally, the weather remains wet in this area during November as harvesting of late rice begins. Although the portion of late rice grown in this area is relatively small, the excessive water could cause substantial problems. No rain fell in the north, a normal situation for November, but pockets probably remain where rainfall has been inadequate for development of winter grains. Abundant irrigation water supplies should assure that most areas have adequate moisture.

NORTHWESTERN AFRICA--Abundant rainfall over winter grain areas of Morocco maintained good growing conditions. Conditions have been less favorable to the east. Coastal areas of northern Tunisia and eastern Algeria received generally adequate rainfall during the week, but dry pockets exist in many areas just inland. Western Algerian crops have suffered the most, with persistant comparatively dry weather. Relatively cool conditions in Tunisia and eastern Algeria have not limited winter grain development significantly.

SOUTH AMERICA--In the past two weeks, shower activity has improved soil moisture conditions in the northern maize growing area of Minas Gerias and Sao Paulo, where below-average October rainfall had delayed maize planting. Some pockets of dry top soil may delay soybean planting in western Parana. In Argentina, some moisture stress has occurred in southern Buenos Aires and La Pampa due to warm, relatively dry weather, which has continued since early October.

SOUTH AFRICA--Rainfall has been below-average in South Africa's maize-growing region, except in the northern portion, where showers have provided adequate moisture in the Transvaal for sowing and early growth. Soil moisture supplies, however, are not entirely favorable for early maize development in much of the Orange Free State. The problem is especially acute in relatively minor production areas in eastern portions where generally higher elevations shorten the growing season. Further west, maize sowing can be prolonged into December but soaking rains are needed soon in most all areas.

AUSTRALIA--Warm, dry weather prevailed this past week in all wheat areas. The weather was ideal for harvesting wheat, but soil moisture reserves remain low in New South Wales. Since the main wheat harvest is now underway, the major concern for moisture shifts toward spring-planted crops such as sorghum and maize.

SOUTHEAST ASIA--Irrigation supplies should be adequate for the upcoming dry-season crops based on the performance of the 1980 summer monsoon. The withdrawal of the Intertropical Convergence Zone (ITC) from Southeast Asia marks the beginning of the relatively dry period, which usually extends into April. (Weekly summaries will be discontinued until the expected onset of next summer's monsoon season.)

MEXICO--Dry conditions in the first half of November aided the citrus harvest, and vegetables should be progressing well with the warm, dry conditions. Excellent weather prevailed for harvesting northern cotton except for a few showers at Chihuahua. Slightly below seasonal rains have favored harvesting of late corn in the southern plateau. Over the coastal plains of the Bay of Campeche, November rains have been light but sufficient to keep soils wet.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain, soybeans and tapioca, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item				Change from	A year
	Dollars	Dollars	Cents	previous	
	per	per	per	week	
	metric	bu.	bu.		
	ton	.	.		
	.	.	.		

Wheat:

Canadian No. 1 CWRS-12.5%..	1/	1/	1/		215.00
U.S. No. 2 DNS/NS: 14%.....	228.50	6.22	+ 7		209.00
U.S. No. 2 DHW/HW:13.5%....	232.00	6.31	+10		210.00
U.S. No. 2 S.R.W.....	229.50	6.25	+10		207.00
U.S. No. 3 H.A.D.....	290.00	7.89	-38		258.00
Canadian No. 1 A: Durum....	1/	1/	1/		1/

Feedgrains:

U.S. No. 3 Yellow Corn.....	174.50	4.43	0		144.50
U.S. No. 2 Sorghum 2/.....	191.00	4.85	+ 6		147.00
Feed Barley 3/.....	210.00	4.57	+26		1/
Thailand Tapioca.....	167.65	--	+4.80	5/	--

Soybeans:

U.S. No. 2 Yellow.....	365.50	9.95	+32		287.00
Argentine 4/.....	1/	1/	1/		1/
U.S. 44% Soybean Meal (M.T.)	337.00	--	+2.00	5/	254.00

EC Import Levies

Wheat 6/.....	81.60	2.22	+20		94.30
Barley.....	52.40	1.14	+12		85.35
Corn.....	87.90	2.23	+15		109.10
Sorghum.....	69.90	1.78	+13		104.05

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil Yellow

5/ Dollars per metric ton.

6/ Durum has a special levy.

NOTE: Basis Dec. delivery.

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